

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 02 LILONGWE 000844

SIPDIS

DEPT FOR AF/S ADRIENNE GALANEK
DEPT FOR INR/AA

E.O. 12958: DECL: 08/31/2014

TAGS: [PGOV](#) [KDEM](#) [PINR](#) [ECON](#) [EFIN](#) [MI](#)

SUBJECT: A TECHNOCRAT TAKES OFFICE: MUTHARIKA AT 100 DAYS

REF: A. LILONGWE 586

- [B](#). LILONGWE 839
- [C](#). LILONGWE 559
- [D](#). LILONGWE 838
- [E](#). LILONGWE 404

Classified By: Pol/Econ Officer Peter W. Lord, reasons 1.5 (b/d).

SUMMARY

1. (C) Elected by a small margin and achieved only with former President Bakili Muluzi's support, President Bingu wa Mutharika has made surprisingly independent strides in rooting out corruption, instilling fiscal discipline, and professionalizing government. His operating assumption is that if he runs government well, he will garner the support necessary to carry out reforms, with or without Muluzi and the United Democratic Front (UDF). However, with Mutharika's technocratic approach to running government has come a general disregard for the public's perception of his actions and a disinterest in managing the politics of the presidency. Mutharika has also given very little attention to HIV/AIDS and privatization. While he is still learning the boundaries of his power, Mutharika is faring well in regaining the international community's confidence in the government of Malawi, which will ultimately unlock financial resources.
END SUMMARY.

SEPARATING PARTY AND STATE: UDF VS. GOM

2. (C) Since his inauguration on May 24, President Bingu wa Mutharika's biggest political problems have been with his own party. A move to make the ruling United Democratic Front (UDF) party separate from government, coupled with a disinterest in managing the politics that go with the presidency, has left Mutharika outside the party fold and caused party loyalists to question his allegiance to the UDF. Muluzi, as party chair, continues to demonstrate that he rules the UDF by making whistle-stop tours and by managing the internal party politics. Without Muluzi, Mutharika would likely take additional steps to make a more clear distinction between the UDF and the GOM, but Mutharika would also have an unruly UDF on his hands, ready to actively work against the administration's reform initiatives.

ROOTING OUT CORRUPTION: ON THE ROAD TO ZAMBIA?

3. (C) With Mutharika's zero-tolerance policy on corruption and repeated statements about prosecuting offenders at all levels of government, civil society and the media have speculated that Muluzi will be brought to book (reftel A). Officials at the Anti-Corruption Bureau (ACB) have also intimated that they plan to prosecute "at the very highest levels of government" (reftel B). In order to preempt a Zambia-style corruption investigation, Muluzi has tried to make Mutharika politically dependent on him (reftel C). However, continuing tension between Muluzi and Mutharika indicate that Muluzi's plans have not been successful and that Mutharika sees little value in Muluzi's political stock. If the ACB does investigate Muluzi for corruption, it is unlikely that Mutharika will protect him, as Mutharika promised to do during the campaign period.

MAKING A PROFESSIONAL GO OF IT

4. (C) Most impressive since Mutharika took office has been his commitment to appointing professionals to senior GOM positions. The cabinet is largely composed of qualified technocrats, and the Director of Public Prosecutions, Army Commander, and Secretaries to the President and Cabinet are all qualified individuals. A focus on putting the right people in the right jobs has resulted in a re-ordering of the principal secretaries in all ministries and has reverberated through the civil service as a demand to perform. Also encouraging is the seemingly independent operation of these individuals with the authority of their offices, which was not the case under Muluzi.

5. (C) While Mutharika's "professional government" has been well received by civil society and the media, his dismantling of Muluzi's political patronage system and empowerment of government offices to investigate and prosecute wrongdoing

have increased the tension between Mutharika and Muluzi's old guard in the UDF. Many of Muluzi's most loyal, now the subject of corruption investigations, are embittered and have only been kept in check by Muluzi. Without Muluzi, there would be a much more vocal opposition to Mutharika in the UDF.

NOTABLY ABSENT: HIV/AIDS AND PRIVATIZATION

16. (C) Although Mutharika has given fiscal discipline and the government budget a great deal of attention, he has put privatization of statutory corporations on hold. The privatization of Malawi Telecommunications, Limited (MTL) was frozen in final negotiations almost as soon as Mutharika took office, without announcement or explanation. Although Mutharika's economic reforms have produced optimism in the private sector (reftel D), his statist economic origins remain a clear influence in his policies. How Mutharika treats the parastatals will reveal much about his commitment to private sector as the engine of economic growth.

17. (C) Apart from a few statements at the recent SADC Heads-of-State meeting in Mauritius, Mutharika has said almost nothing about HIV/AIDS. With an infection rate of over 14 percent dramatically affecting Malawi's productivity and large amounts of resources coming for prevention and treatment, the Mutharika administration will have to take a more active role in HIV/AIDS leadership to make meaningful gains.

COMMENT

18. (C) Mutharika has a window of opportunity in that most Malawians genuinely believe that with proper leadership, corruption can be controlled and the economy will turn around. In addition, the international community is eager to resume financial support. Mutharika's initial gestures toward reform have done much to regain the GOM's credibility, which Muluzi seriously wounded in the run-up to the elections. However, while Mutharika has thus far been able to garner political support by "doing the right thing," he is not as politically astute as his predecessor. He does not recognize the importance perception plays in politics, and he does not realize the value of loyalty in partisan politics.

19. (C) COMMENT CONTINUED. As Mutharika continues to bank on opposition support, Muluzi will try to prove his political worth to Mutharika by keeping the UDF old guard in check and working the grassroots for support for the UDF. In the end, Mutharika may find that he needs Muluzi more than he thinks in order to affect political change, and Muluzi will be an eager aide in order to protect and position himself in the long-term. END COMMENT.
RASPOLIC